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C O N F I D E N T I A L BRIDGETOWN 001256

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WHA/CAR FOR ALAIN NORMAN
L/CID FOR MARGUERITE WALTER
WHA/EPSC FOR LISA KUBISKE
EEB/ESC/IEC FOR MATT McMANUS
EEB/IFD/OIA FOR HEATHER GOERTHERT

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TAGS: [ENRG](#) [ECON](#) [EINV](#) [PGOV](#) [PREL](#) [CVIS](#) [XL](#)

SUBJECT: AMBASSADOR'S VISIT TO ST. KITTS AND NEVIS
HIGHLIGHTS BIOFUELS, U.S. INVESTMENT

REF: A. BRIDGETOWN 801

¶B. BRIDGETOWN 1195

Classified By: AMB. MARY M. OURISMAN FOR REASONS 1.4 (B) AND (D).

Summary

¶1. (U) During her September 19-21 visit to St. Kitts and Nevis to celebrate that nation's National Day, the Ambassador raised biofuels and the Angelus expropriation case with Prime Minister Denzil Douglas and Foreign Minister Timothy Harris. The Ambassador also used the trip to draw public attention to USG contributions to regional security in an address to a graduating ATA class, and handed over PD funds to help support our shared cultural heritage at the Alexander Hamilton House on Nevis. The visit received extensive press interest and focused attention on our continued commitment to the region following the June, 2007 Conference on the Caribbean. End summary.

Green Light for Biofuel Cane Production

¶2. (U) On September 10, Minister of Sustainable Development Nigel Carty, the GOSKN's lead on biofuels, publicly stated that in six to eight months an organization will be in place to ensure investment in ethanol production and expressed hope that in two years, the first bottle of ethanol will be produced in St. Kitts and Nevis. The Ambassador encouraged Douglas to also publicly endorse the initiative, noting that an endorsement from the Prime Minister would add significant weight. Douglas did not commit to making a personal statement to media, but confirmed that his government has agreed to officially move forward with biofuel development plans. Douglas said Minister Carty speaks on his behalf and assured the Ambassador that the GOSKN will work with the Organization of American States to plan specific next steps.

Build It and They Will Go: The Angelus Saga

¶3. (C) The Ambassador also pressed both the PM and Edmeade to resolve the Angelus expropriation dispute between the GOSKN and former Amcit Angelus property owners, to establish better lines of communication and transparency with the affected

Amcits, and to provide quick and fair compensation. The Ambassador raised USAID's Investment Promotion Authority project in St. Kitts, emphasizing the link between its success and the ability of GOSKN to protect foreign investment. Douglas offered his empathy for the Amcits and explained his interest in resolving the conflict quickly. Douglas and Edmeade told the Ambassador that the GOSKN is in its final negotiations with the Marriott Corporation to invest in the Angelus property. Both agreed that before Marriott purchases the property, the present property dispute must be resolved. In order to resolve the dispute, however, an agreement on adequate compensation must be finalized. This creates a catch-22 situation in that compensation can only be awarded once Marriott purchases the property.

¶4. (C) According to Edmeade, the Attorney General's designated liaison between the GOSKN and Amcits was absent for the last month due to illness, but would soon resume her duties and try to improve communication with Amcit property owners. In addition, Douglas pointed out a new obstacle in the process - the GOSKN is now investigating possible criminal activity associated with some of the property owners who allegedly provided false claims. Edmeade, charged by Douglas to monitor the dispute resolution closely, told the Ambassador that the process of compensation should begin by December 31, 2007, but could not specify a date when actual compensation would be awarded since the claims investigation has to be concluded first.

Using Cruises to Finance Regional Security

¶5. (C) The DCM met separately with GOSKN Minister of National Security Dwyer Astaphan, who predicted that the Caribbean is on the road to destruction if it continues with its ill-preparedness to address regional security. Astaphan

pointed out that the absence of a region-wide holistic approach and tremendous lack of resources, combined with the evolving sophistication of criminals and terrorists, is a recipe for disaster. At the September 21 Diplomatic Security Anti-terrorism Assistance Course graduation in St. Kitts, Astaphan reiterated these concerns to the press, warning that it would take only one terrorist incident--or even rumor of a terrorist incident--to cause cataclysmic economic damage in a region that depends on tourism for its survival. Astaphan proposed - both during his speech, and to the DCM privately - an idea for a USD \$20 per head security fee for cruise passengers that would generate close to USD \$100 million a year to provide the necessary resources to prevent terrorism and combat other criminal networks.

A Contribution Alexander Hamilton Would Be Proud Of

¶6. (U) On September 20, the Ambassador traveled to Nevis to meet with its Premier, Joseph Parry, and sign a grant for USD \$40,000 to the island's Alexander Hamilton House and Museum to upgrade the Alexander Hamilton exhibit. (Note: The Alexander Hamilton House and Museum is where Alexander Hamilton was born 250 years ago this year, and serves to link the history and culture of Nevis with that of the United States. End Note.) In her meeting with Premier Parry, the Ambassador reiterated the USG's commitment to re-engagement with the region and noted that the contribution to the Alexander Hamilton House and Museum offers an excellent opportunity to display the strong historical ties between the United States and the Caribbean, as well as attract tourists to Nevis' capital.

USG Looking Good in SKN

¶7. (U) The Ambassador's trip to St. Kitts and Nevis generated excellent press. In her speech to the graduating class of the ATA Civil Aviation Course, also covered by local and regional print and radio media, the Ambassador reiterated the USG commitment to the Caribbean, providing tangible examples

and highlighting a total value of contributions to the region over the last three years, amounting to more than USD \$100 million.

Comment

18. (U) Since the U.S.-Brazil Biofuels Conference was launched in St. Kitts and Nevis, which puts the country on the map with regard to high-level partnerships with the United States, Embassy Bridgetown has been proactively drawing public attention to the USG commitment to the Caribbean in the spirit of the White House-CARICOM Joint Communique issued in June 2007. The Ambassador's visit, combined with effective press coverage of other tangible deliverables, successfully reinforced the USG's commitment to the Caribbean and as a result, earned the public gratitude of the GOSKN. Embassy Bridgetown will seek out similar opportunities to showcase USG Caribbean engagement during all of the Eastern Caribbean National Days due to take place within the next two months.

OURISMAN